



**Federal Deposit Insurance Corporation**  
550 17th Street NW, Washington, D.C. 20429-9990

**Financial Institution Letter**  
**FIL-7-2016**  
**January 21, 2016**

## **SMALL BANK PRICING**

### **Notice of Proposed Rulemaking**

**Summary:** On January 21, 2016, the FDIC Board of Directors (Board) approved the attached Notice of Proposed Rulemaking (NPR). The NPR revises an NPR adopted by the Board on June 16, 2015, (2015 NPR) in response to comments received. Like the 2015 NPR, this revised NPR would refine the deposit insurance assessment system for small insured depository institutions (generally, those institutions with less than \$10 billion in total assets). Under the revised NPR, refinements would become operative the quarter after the reserve ratio of the Deposit Insurance Fund (DIF) reaches 1.15 percent (or the first quarter after a final rule is adopted that the rule can take effect, whichever is later). Comments on the revised NPR are due 30 days following publication of the revised NPR in the *Federal Register*.

**Statement of Applicability to Institutions under \$1 Billion in Total Assets:** This Financial Institution Letter applies to institutions under \$1 billion in total assets.

#### **Distribution:**

All FDIC-Insured Institutions

#### **Suggested Routing:**

Chief Executive Officer  
President  
Chief Financial Officer

#### **Related Topics:**

FDIC Regulations Governing the Assessment Process, 12 CFR Part 327

#### **Attachment:**

[Notice of Proposed Rulemaking](#)  
[Link to Online Assessment Calculator](#)

#### **Contact:**

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#### **Note:**

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#### **Highlights**

The revised NPR would be similar to the 2015 NPR, but, in contrast to the 2015 NPR, would:

- Revise the previously proposed one-year asset growth measure.
- Use a brokered deposit ratio (that treats reciprocal deposits and Federal Home Loan Bank advances the same as under current regulations) —rather than the previously proposed core deposit ratio — as a measure in the financial ratios method for calculating assessment rates for all established small banks.
- Remove the existing brokered deposit adjustment for established small banks, which currently applies to banks outside Risk Category I.
- Revise the weights assigned to the proposed measures in the financial ratios method based upon a re-estimation of the underlying statistical model.

To help established IDIs evaluate the effect of the proposed rule, the FDIC will update the assessment calculator on the FDIC's website that will allow IDIs to estimate their assessment rates under the revised proposal.